

Message Text

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SUBJECT: KORRY, CHRISTIAN DEMOCRATS AND THE CIA

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1. SUMMARY: EX-PRESIDENT AND CHRISTIAN DEMOCRATIC (PDC) LEADER EDUARDO FREI SHARPLY DENIES US PRESS REPORTS HE RECEIVED CIA PAYMENTS. IN LOCAL TV INTERVIEW, US EX-AMB. EDWARD KORRY CHARGES FUNDS VOTED BY US CONGRESS TO AID 1960 EARTHQUAKE VICTIMS WERE DIVERTED TO SUPPORT FREI'S 1964 CANDIDACY, AND THAT TWO PDC CABINET MINISTERS ACCEPTED CIA MONEY FOR THE PARTY. EFFECT OF SUCH REPORTS IS TO Demean US DIPLOMACY IN CHILE IN THE SIXTIES; TO ANTAGONIZE PDC, STRONGEST PRO-DEMOCRATIC ELEMENT IN CHILE; AND TO PFOVIDE THE JUNTA WITH OPPORTUNITIES TO RUN DOWN THE PDC, ITS LEADERS, AND THE US. END SUMMARY.

2. THE BINDER ARTICLE: THE DAVID BINDER ARTICLE APPEARING IN THE "NEW YORK TIMES" ON FEBRUARY 19, IN WHICH EX-PRESIDENT EDUARDO FREI IS SAID TO HAVE RECEIVED CIA CASH, RECEIVED WIDE COVERAGE IN THE SANTIAGO PRESS ON FEBRUARY 20. GOVERNMENT-OWNED "EL CRONISTA" SPORTED THE FRONT PAGE HEADLINES: "NEW YORK TIMES CHARGES CIA GAVE MONEY TO FREI."

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3. FREI DENIAL: OBVIOUSLY SMARTING FROM THIS CHARGE, FREI CAME OUT SWINGING. IN A STATEMENT ISSUED ON FEBRUARY 21 TO THE PRESS, FREI EXPRESSED HIS "REJECTION AND ABSOLUTE DENIAL" OF THE CHARGE. HE ASSERTED THAT "THE USE OF THIS NEWS IS PART OF A VERY WELL SYNCHRONIZED CAMPAIGN TO DISCREDIT MY ADMINISTRATION, THE PDC AND ME PERONALLY." FREI ADDED THAT IN VIEW OF "THE IMPOSED POLITICAL RECESS, (WITHOUT RECOURSE TO) THE PROPER MEDIA OF EXPRESSION --

BECAUSE THEY ALL HAVE BEEN SHUT DOWN -- WE MUST TOLERATE THESE MALICIOUS AND CONTINUOUS ATTACKS" STATING THAT NO ONE HAS A FIX ON THE WHEEL OF FORTUNE," FREI EXPRESSED THE EXPECTATION THAT THE NEWSMEN WHO "ABUSE THESE ACTS WILL SOME DAY BE JUDGED BY THE CHILEAN PEOPLE."

4. KORRY INTERVIEW: CHILEAN TELEVISION (CHANNEL 9 - UNIVERSITY OF CHILE) PRESENTED AN HOUR-LONG INTERVIEW, ON PRIVE EVENING TIME, WITH EX-AMB. EDWARD KORRY ON FEBRUARY 17 (REPEATED THE 20TH). THE INTERVIEW CONCERNED US INTERVENTION IN CHILEAN AFFAIRS BEFORE ALLENDE. HIGHLIGHTS INCLUDED KORRY'S ASSERTIONS THAT:

-- A SUBSTANTIAL SUM VOTED BY THE US CONGRESS TO AID THE 1960 EARTHQUAKE VICTIMS WAS DIVERTED TO SUPPORT THE FREI CANDIDACY IN THE 1964 ELECTION.

-- TWO CHRISTIAN DEMOCRATIC PARTY (PDC) CABINET MINISTERS IN THE FREI ADMINISTRATION ACCEPTED CIA MONEY ON BEHALF OF THE PARTY.

5. LUCIANO VASQUEZ, FORMER NATIONAL PARTY DEPUTY AND PRESENTLY CHILEAN PRESS ATTACHE ASSIGNED TO THE EMBASSY IN STOCKHOLM, CONDUCTED THE INTERVIEW. HE PURSUED A LINE OF QUESTIONING DESIGNED TO ESTABLISH THAT A NUMBER OF CHRISTIAN DEMOCRATS WERE LINKED TO THE CIA DURING THE FREI ADMINISTRATION, BUT KORRY INSISTED THAT TO THE BEST OF HIS KNOWLEDGE ONLY TWO, NOT IDENTIFIED, WERE INVOLVED, AND IT WAS NOT A MATTER OF BRIBERY.

6. COMMENT: THIS IS NOT THE FIRST TIME THAT THE PDC, AND FREI, HAVE SUFFERED AS A RESULT OF US PRESS REVELATIONS, TRUE OR FALSE; BUT IT IS CERTAINLY THE MOST SERIOUS CONTRETEMPS THUS FAR. THE LIMITED OFFICIAL USE

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JUNTA IS QUICK TO EXPLOIT SUCH SITUATIONS. ITS PRESS SPOKESMEN USE THEM TO DEMONSTRATE THE EVILS OF DEMOCRATIC (SMALL "D") POLITICS IN GENERAL AND THE INIQUITIES OF THE PDC IN PARTICULAR. MORE OBLIQUELY, THE USG COMES IN FOR SIMILAR CRITICISM. THE TOTAL IMPACT OF THE CHARGES IS TO DEMEAN US DIPLOMACY IN CHILE DURING THE SIXTIES AND TO SMEAR THE CHRISTIAN DEMOCRATS.

7. I HAVE SO FAR REFUSED TO COMMENT ON THESE MATTERS. WOULD APPRECIATE GUIDANCE.
POPPER

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